

**State Workforce Innovation Council**  
June 7, 2007, 10:00AM  
Indiana Government Center South, Conference Room B  
Indianapolis, Indiana

**Present:** Steve Bryant, Cathy Delgado, Harold Force, Andy Goebel, Jim Hemmelgarn, David Holt, V. William Hunt, Al Huntington, Leroy Jackson Jr., Peter Kissinger, Mark Maassel, Jim McClelland, Cathy Metcalf, Andrew Penca, Paul Perkins, Jac Price, Terry Rodino, Robert Schaefer, Patty Shutt, Bill Stanczykiewicz, and David Wulf.

**Absent:** Glynn Barber, Rep. Randy Borrer, Brian Burton, Gov. Mitch Daniels, Gina DelSanto, Sen. Jeff Drozda, Rep. Craig Fry, Jim Gislason, Sen. Glenn Howard, Rob Jeffs, Jac Padgett, Mitch Roob, Mark C. Smith, Noah Sodrel, Alan Stahl, Diane Swift, and Beth Washington.

**Also present:** From the Indiana Department of Workforce Development, Hope Clark, Director, Research and Analysis, Teresa Voors, General Counsel and Chief of Policy, John Ruckelshaus III, Deputy Commissioner, Government Affairs, Scott Sanders, Chief Financial Officer, and Dale Wengler, Deputy Commissioner, Customer Solutions, William Miller, Director, Career Services, and Betty Culley, Strategic Initiatives. Also present were Juan Manigault, Regional Operator, Region 2 and Kay Cochrane, Region 2; Kathleen Randolph, Regional Operator, Region 3; and, Linda Woloshansky, Regional Operator, Region 1.

**Welcome and Opening Business** - Bill Hunt, Chairperson

Mr. Hunt called the meeting to order at 10:05AM.

Mr. Hunt called the roll of SWIC members and a quorum was present.

The minutes of the February 23, 2007 meeting were unanimously approved.

**Commissioner Update and Introduction of New Lead Team Members**

Commissioner Penca said he had three items to bring before the board.

- On June 6, an Associated Press article described the manufacturing climate in Indiana. The article was based on a study done out-of-state rather than on the robust data of the Indiana Department of Workforce Development which references Bureau of Labor Statistics numbers. The story reported that Indiana was down 17,000 manufacturing jobs, but our professional economists believe the figure is 13,000 which include the automotive industry and RV manufactured housing which had spiked after Hurricane Katrina. The difference in figures is 20 to 25%. If you look at other indicators, you see that unemployment insurance was down last month to a five-year low, and things are relatively healthy.
- Commissioner Penca announced new lead team members. On June 1, Mary Johnson began as the new Human Resources Director. Dale Wengler, Deputy Commissioner of Customer Solutions, began a month ago and is attending today's meeting. He will oversee WorkOne offices, Workforce Investment Act oriented policies, and regional integration.
- Commissioner Penca requested that all SWIC board members, in their role as conveners, invite individuals to attend the first Annual Summit of the Strategic Skills Initiative (SSI). The event will be held at Fort Benjamin Harrison on July 11. The forum will present best practices from SSI in the eleven regions of Indiana. The keynote speaker will be U. S. Department of Labor's Secretary of Labor, Elaine Chao. Commissioner Penca thanked everyone for their cooperation in convening individuals for this event.

Bill Hunt hoped that there would be a good turnout from the Board.

**Resolution 01-07 Approval of Modification 3 Draft Workforce Investment Act State Plan submitted to the U. S. Department of Labor**

William Miller, Director of Career Services, Customer Solutions, DWD

Mr. Miller stated he would be asking for approval from the board on three documents. The State Workforce Innovation Council acts both as the state board and as the Balance of State Workforce Investment Board which includes all Indiana counties except Marion County. He said one approval was for the state board, one for the balance of state workforce investment board and one for both.

- Regarding the Approval of the Workforce Investment Act State Plan, the SWIC is acting in the capacity as the State Board. The WIA State Plan has been submitted to the U. S. Department of Labor for approval. Commissioner Pence did an Executive Summary of the State Plan modification through June 30, 2009 at the last meeting, which the SWIC approved. The draft plan was posted on DWD's website for a 30-day public comment period and then submitted to the United States Department of Labor on April 30, 2007. The major change was a stronger emphasis on the integration of service delivery. Two additional waivers were listed in the plan to provide the system additional flexibility. There were simple updates and refinement to the plan such as updating the labor market information. Status updates on projects accomplished was listed. DWD is awaiting approval from USDOL, but part of the federal process includes approval by the State Council. We are requesting the state board approve the state plan.

Mr. Hunt asked what the public comments were.

Mr. Miller replied that two comments were received, one from the AFL-CIO and the other from the Indianapolis Private Industry Council, the Marion County Workforce Investment Board. Both centered on the two additional waivers, Waivers 7 and 8 in the plan. Waiver 7 allows the state to use rapid response monies to leverage projects which need match like the Career Advancement Accounts which used Governor's Discretionary funding for match. Career Advancement Accounts received \$1.5M for each of two years from U.S. DOL.

Mark Maassel asked if the commenters challenged the waivers. Mr. Miller responded that DWD was taking dislocated worker money, \$3 million, which required a 1 for 1 match to expend the amount. Ms. Voors stated that the waiver expanded the initiative. CAA vouchers can be used by people who know what course they want, and they receive a voucher for \$3,000 to pay for training.

Cathy Metcalf reported that 400 Visteon dislocated workers were in funded classes, but some workers wouldn't be able to completely pay for a class like truck driving training from the funds available under CAA. Mr. Miller said that Visteon had been granted almost \$1M in rapid response monies. Ms. Metcalf said that she was also thinking about future issues. Ms. Voors said that WIA Adult or WIA Dislocated Worker funding could be used. Ms. Metcalf asked if local WorkOne counselors could use CAA or Rapid Response funds. Ms. Voors said to contact local WorkOne staff, and if problems arose, to contact her.

Mr. Miller explained that Waiver 8 says that 50% of adult and dislocated workers allocations can be used by local boards as Governor's Discretionary funding. Mr. Miller explained that the comment received was not really an objection. The state used dictated language suggested by the Department of Labor which appeared as though the state was withholding fifty percent of funds, but that was not the intent or the case.

Bill Stanczykiewicz asked how much input had been received from the Regional Workforce Boards for the State Plan.

Ms. Voors responded that the plan was published and reviewed by the regional workforce boards. They had the right to address any concerns. They were in the process of developing their individual plans. Mr. Miller said that there were multiple Regional Workforce Board meetings.

A Motion to Approve the State Plan was made and seconded. The vote was all yeas except for one nay.

**Resolution 02-07 Approval of the Modified SWIC Bylaws**

William Miller, Director of Career Services, Customer Solutions, DWD

- In Approval of the Modified SWIC Bylaws, Mr. Miller announced that the SWIC is acting in its capacity as both the State Board and Balance of State Board. The State Human Resource Council (SHRIC) Bylaws were approved in November 2005. In July 2006, the board was reconstituted and renamed the State Workforce Investment Council (SWIC) after passage of Senate Bill 370. The modified bylaws presented today bring the SWIC into compliance with Senate Bill 370 requirements. In the new bylaws, the council's name is changed from SHRIC to SWIC, plus language was changed from "human needs" to "workforce needs." There were citation changes also.

Mr. Hunt said these changes were conforming changes. A Motion to Approve the Bylaws was made and seconded. The Council unanimously approved the motion.

Mr. Hunt stated that at the next meeting, an official backup to the Chairperson should be created through the Bylaws. The Vice-Chairperson could also be advised of future agendas and preside at a meeting in his absence.

**Resolution 03-07 Approval of State Level Memorandum of Understanding**

William Miller, Director of Career Services, Customer Solutions, DWD

- Regarding the third document, DWD is seeking approval of and Chair signature on a Memorandum of Understanding (MOU). This approval is for the SWIC acting as the Balance of State Workforce Investment Board. The SWIC Chair is being asked to sign the MOU. The Workforce Investment Act requires an MOU between each local Workforce Investment Board and the WorkOne Partners. The MOUs are simply agreements between the parties that stipulate their relations as partners in the WorkOne system. The MOU is very basic and simply provides a general framework agreement between the Balance of State Workforce Investment Board and the statewide WorkOne partners. It affords a framework for the RWBs to enter into more detailed agreements at the regional level. DWD will contact the other state partners for their signatures including: DWD, FSSA, Department of Education, Job Corps, Transition Resources Corporation, and the American Indian Center of Indiana.

Mr. Hunt asked if the board would authorize him to sign the MOU. The vote was unanimously affirmative.

**Resolutions 04-07 and Resolutions 05-07 Approval of Program Year 2007 Formula Allocations Distribution and Program Year 2005 Incentive Awards**

Scott Sanders, Deputy Commissioner, Chief Financial Officer

Mr. Sanders provided two documents to the Board. The first document showed the allocation of Workforce Investment Act funds and compared Program Year 2007 funds to Program Year 2006. The figures showed the original allocation from the Department of Labor and the results for the formula allocation process that was utilized to allocate funds to the two workforce investment boards and the State. The funds were split between Adult, Youth, and Dislocated Workers and broken out by region with the balance of the state workforce investment board.

There was one question from a Board member on the excess funds that were provided to certain Regional Workforce Boards in 2006. Mr. Sanders explained that in 2006 there was an error in one of the formula calculations. The error was discovered after funds had been distributed and the State reduced the amount of the Governor's discretionary funds to correct the mistake and balance the allocations.

Bill Hunt thanked Mr. Sanders for summarizing the complex formula allocation process for the Board. There was a motion and second to approve the allocations to the Regional Workforce Boards for 2007 by the Balance of State Workforce Investment Board. Several members asked to be recused from the voting on their specific regions: for Region 1, Cathy Delgado and Robert Schaefer; for Region 3, Jac Price; and for Region 11, Andy Goebel. The motion was unanimously approved.

Mr. Goebel asked a question regarding the disposition of funds from 2006 if they were not spent. Mr. Sanders said each region must commit to spend 80% of the funds in the first year and spend all of the funds within a three year period.

Mr. Sanders then provided the Board a document highlighting the proposed awards and allocations of Program Year 2005 incentive dollars. He provided the Board with page 100 of the Workforce Investment Act State Plan that shows performance goals for Program Years 2005 and 2006 and the draft goals for Program Years 2007 and 2008. There were incentive targets for the fifteen old Workforce Investment Boards if they met their Program Year 2005 Performance goals. Since the State changed the workforce investment board structure on July 1, 2006, DWD Commissioner's Directive 2006-12 was written stating that if one of the regions met 14 out of the 17 goals, 80% would be allocated to all the regions. In Program Year 2005, one of the regions met those goals and the State decided to allocate those incentive monies to be used for training and program development. Mr. Sanders stated that he would like a motion for the Board to approve the one time allocation of incentive funding.

A motion and second were made to approve the Program Year 2005 incentive funds. Several members again recused themselves from the voting on their specific regions: for Region 1, Cathy Delgado and Robert Schaefer; for Region 3, Jac Price; and for Region 11, Andy Goebel. The motion was unanimously approved.

Hope Clark, the Indiana Department of Workforce Development's Director of Research and Development, handed out SWIC Economic Analysis Survey Results which had been completed by her unit.

Teresa Voors announced that Regions 1, 2, and 3 were at today's SWIC meeting to explain their innovative approaches in moving toward integrated service delivery in their regions.

Jac Price, Regional Workforce Board Chairperson for Region 3, and Kathleen Randolph, Regional Operator for Region 3, gave a PowerPoint presentation entitled "Building a Twenty-First Century Workforce System, Reinventing our WorkOne Centers and Services." Ms. Randolph explained that their board was leading Region 3 to an integrated service model which they will be implementing on July 2, 2007. Ms. Randolph responded to questions and comments from the board. Jac Price closed saying that he commended the Region 3 board members.

Robert Schaefer, Regional Workforce Board Chairperson for Region 1, and Linda Woloshansky, Regional Operator for Region 1, gave a PowerPoint presentation entitled, "Working as One" about the Northwest Indiana region of seven counties, recognized as the Gateway to Chicago. Their 12 WorkOne offices and express sites are beginning an integration and functional alignment process. Their model is a WorkOne Integrated Network (WIN) to develop an integrated process that utilizes staff expertise in a functionally aligned structure while allowing for the unique difference of each and every customer they serve. Ms. Woloshansky responded to questions and comments.

Juan Manigault, Regional Operator for Region 2, gave a PowerPoint presentation, entitled, "ERG2 Northern Indiana" explaining that Northern Indiana has begun working on a demand driven integration plan beginning in Program Year 2003. Their complete WorkOne integration framework will be completed by July 1. They worked on realigning with the needs of employers. Kay Cochrane continued the presentation. She reported that Northern Indiana's integrated website had been recognized nationally with an award. They are slowly integrating, looking weekly at their model. Their integration model will begin on January 1.

Mr. Hunt said he looked forward to hearing other regions presentations.

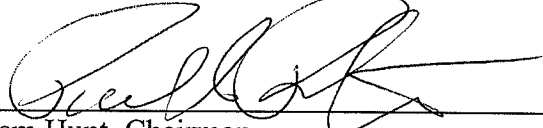
Mr. Hunt asked for public comment. There was none.

Mr. Penca announced to the board that the JAG program in its first year had a graduation rate of 98.6%.

Mr. Hunt announced that the next SWIC meeting would be August 16.

As there was no further business to come before the Council, the meeting was adjourned at 12:08PM.


**STATE WORKFORCE INNOVATION COUNCIL**

  
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V. William Hunt, Chairman

Date

11/29/07

**ATTEST:**

  
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Andrew J. Penca, Commissioner  
Indiana Department of Workforce Development